

**Effective 5/13/2014**

**Part 2**  
**Oversight and Board of Trustees**

**67-19f-201 Trust fund -- Creation -- Oversight -- Dissolution.**

- (1) There is created a trust fund entitled the "State Employees' Annual Leave Trust Fund."
- (2) The trust fund consists of:
  - (a) ongoing revenue provided from a state agency set aside for accrued annual leave II required under Section 67-19-14.6;
  - (b) appropriations made to the trust fund by the Legislature, if any;
  - (c) transfers from the termination pool described in Subsection 67-19-14.6(6) made by the Division of Finance to the trust fund for annual leave liabilities accrued before the change date established under Section 67-19-14.6;
  - (d) income; and
  - (e) revenue received from other sources.
- (3)
  - (a) The Division of Finance shall account for the receipt and expenditures of trust fund money.
  - (b) The Division of Finance shall make the necessary adjustments to the amount of set aside costs required under Subsection 67-19-14.6(4)(a) to provide that upon the trust fund's accrual of funding equal to 10% of the annual leave liability, year-end trust fund balances remain equal to at least 10% of the total state employee annual leave liability.
- (4)
  - (a) The state treasurer shall invest trust fund money by following the procedures and requirements of Part 3, Investment of Trust Funds.
  - (b)
    - (i) The trust fund shall earn interest.
    - (ii) The state treasurer shall deposit all interest or other income earned from investment of the trust fund back into the trust fund.
- (5) The board of trustees created in Section 67-19f-202 may expend money from the trust fund for:
  - (a) reimbursement to the employer of the costs paid to the trust fund in accordance with Section 67-19-14.6 as annual leave II is used by an employee;
  - (b) payments based on accrued annual leave and on accrued annual leave II that are made upon termination of an employee; and
  - (c) reasonable administrative costs that the board of trustees incurs in performing its duties as trustee of the trust fund.
- (6) The board of trustees shall ensure that:
  - (a) money deposited into the trust fund is irrevocable and is expended only for the costs described in Subsection (5); and
  - (b) assets of the trust fund are dedicated to providing annual leave and annual leave II established by statute and rule.
- (7) A creditor of the board of trustees or a state agency liable for annual leave benefits may not seize, attach, or otherwise obtain assets of the trust fund.

Amended by Chapter 368, 2015 General Session

**67-19f-202 Board of trustees of the State Employees' Annual Leave Trust Fund.**

- (1)

- (a) There is created a board of trustees of the State Employees' Annual Leave Trust Fund composed of the following three members:
  - (i) the state treasurer or the state treasurer's designee;
  - (ii) the director of the Division of Finance or the director's designee; and
  - (iii) the executive director of the Governor's Office of Management and Budget or the executive director's designee.
- (b) The state treasurer is chair of the board.
- (c) Three members of the board is a quorum.
- (d) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses as allowed in:
  - (i) Section 63A-3-106;
  - (ii) Section 63A-3-107; and
  - (iii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.
- (e)
  - (i) Except as provided in Subsection (1)(e)(ii), the state treasurer shall staff the board of trustees.
  - (ii) The Division of Finance shall provide accounting services for the trust fund.
- (2) The board shall:
  - (a) on behalf of the state, act as trustee of the trust fund created under Section 67-19f-201 and exercise the state's fiduciary responsibilities;
  - (b) meet at least twice per year;
  - (c) review and approve the policies, projections, rules, criteria, procedures, forms, standards, performance goals, and actuarial reports for the trust fund;
  - (d) review and approve the budget for the trust fund;
  - (e) review financial records for the trust fund, including trust fund receipts, expenditures, and investments; and
  - (f) do any other things necessary to perform the state's fiduciary obligations under the trust fund.
- (3) The board may:
  - (a) commission and obtain actuarial studies of the liabilities for the trust fund; and
  - (b) for purposes of the trust fund, establish labor additive rates to charge for the administrative expenses of the trust fund.
- (4) The attorney general shall:
  - (a) act as legal counsel and provide legal representation to the board of trustees; and
  - (b) attend, or direct an attorney from the Office of the Attorney General to attend, each meeting of the board of trustees.

Amended by Chapter 368, 2015 General Session